Amendments to the Claims:

This listing of claims will replace all prior versions and listings of claims in the application:

Listing of Claims:

5 1-8 (cancelled)

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- 9 (original): A method of correcting errors in motion vectors due to camera panning, the method comprising steps:
 - (a) identifying a first error block that contains an error motion vector out of a plurality of blocks in a current video frame, each block in the current video frame containing a corresponding motion vector;
 - (b) calculating a first average motion vector value of the motion vectors for all blocks located in a first section of the current video frame, the first section of blocks being all of the blocks in the current video frame that are located before the first error block;
 - (c) identifying a first group of effective motion vectors by counting blocks in the first section of the current video frame having corresponding motion vector values within a first range of values bounded by the first average motion vector value minus a first threshold value and the first average motion vector value plus the first threshold value;
 - (d) calculating a first panning motion vector value to be equal to an average value of the first group of effective motion vectors; and
 - (e) correcting the first error block by setting the motion vector of the first error block to be equal to the first panning motion vector value.
- 10 (original): The method of claim 9, further comprising steps:
 - (c1) calculating a percentage of all of the motion vectors in the first section of the current video frame which are effective motion vectors; and
- (c2) proceeding with steps (d) and (e) only if the percentage is above a predetermined percentage value.

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- 11 (original): The method of claim 9, further comprising steps:
 - (d1) calculating a second average motion vector value of motion vectors corresponding to a plurality of neighboring blocks surrounding the first error block:
 - (d2) determining if the second average motion vector value is within a second range of values bounded by the first panning motion vector value minus a second threshold value and the first panning motion vector value plus the second threshold value; and
 - (d3) proceeding with step (e) only if the second average motion vector value is within the second range of values.
- 12 (original): The method of claim 11, wherein four neighboring blocks are used for calculating the second average motion vector value.
- 15 13 (original): The method of claim 11, wherein eight neighboring blocks are used for calculating the second average motion vector value.
 - 14 (original): The method of claim 9, further comprising steps:
 - (d1) calculating a median motion vector value of motion vectors corresponding to a plurality of neighboring blocks surrounding the first error block;
 - (d2) determining if the median motion vector value is within a second range of values bounded by the first panning motion vector value minus a second threshold value and the first panning motion vector value plus the second threshold value; and
 - (d3) proceeding with step (e) only if the median motion vector value is within the second range of values.
- 15 (currently amended): The method of elaim 9 claim 14, wherein the first and second threshold values are in the range of 0.5 to 3.

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- 16 (currently amended): The method of claim 9 claim 10, wherein the predetermined percentage value is in the range of 70% to 90%.
- 17 (currently amended): The method of claim 9, further comprising steps:
 - (f) identifying an Nth error block and an Nth section of blocks in the current video frame that are located between [[the]] an (N-1)th error block and the Nth error block, N being an integer equal to or greater than 2;
 - (g) identifying an Nth group of effective motion vectors by counting blocks in the Nth section of the current video frame having corresponding motion vector values within an Nth range of values bounded by the (N-1)th panning motion vector value minus a second threshold value and the (N-1)th panning motion vector value plus the second threshold value;
 - (h) calculating an Nth panning motion vector value to be equal to an average value of the first N groups of effective motion vectors;
 - (i) correcting the Nth error block by setting the motion vector of the Nth error block to be equal to the Nth panning motion vector value; and
 - (j) repeating steps (f) through (i) until no more error blocks exist in the current video frame.

18 (currently amended): The method of claim 9, wherein the first section of blocks are the blocks located in rows above the first error block and are the blocks located to the left of the first error block and in [[the]] a same row as the first error block.